AIR MINISTRY.

AIR ESTIMATES.

MEMORANDUM BY THE SECRETARY OF STATE FOR AIR RELATING TO THE AIR ESTIMATES FOR THE YEAR 1922-1923.

Presented to Parliament by Command of His Majesty.

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The net total of the Air Estimates now presented is 9,935,500*l*. for normal services and 959,500*l*. for war liabilities, making 10,895,000*l*. in all. The comparable figures for 1921–22 (original Estimates) were 15,809,000*l*. for normal services and 1,471,000*l*. for war liabilities, making 17,280,000*l*. in all. There is thus a reduction of about 6,400,000*l*., or 37 per cent. A reduction of some 20 per cent. was, in compliance with the directions given by the Government to all departments, effected in the Sketch Estimates prepared in July 1921 and laid before the Geddes Committee: the remaining savings have been effected subsequently, on lines partly suggested by the Committee and partly arrived at independently. The process has been continuous, and some further reduction has even been made on the figure provisionally approved by the Government and embodied in the forecast of expenditure recently submitted to the House of Commons by the Chancellor of the Exchequer.

The Estimates provide for an appropriation-in-aid amounting to 3,733,000*l*. in respect of Middle East services. This sum is voted under Class V., 3 of the Civil Service Estimates, and is repaid by the Colonial Office to the Air Ministry. The figure includes provision for works and other ancillary services, and increased provision for armoured cars, the cost of which has hitherto fallen on Army Votes, the transfer of responsibility for these services being made in consequence of the recently approved schemes of Air Force control in Iraq and Palestine. Omitting these transferred services, the comparable figures for Air Units in the Middle East are 1,571,000*l*. for 1921–22 and 1,750,000*l*. for 1922–23, the latter being approximately the same as that laid before the Geddes Committee in the Sketch Estimates.

The increase of the provision under certain subheads of the Votes for 1922–23 over that under the same subheads for 1921–22 is due to expenditure on the transferred services in the Middle East. These subheads are gross figures, the appropriations in aid, which include repayment for such expenditure, being shown in the final subhead of each Vote. The net figures for complete Votes are consequently a better basis for comparison between the two years.

The active strength of the Air Force will be reduced by the equivalent of two Squadrons. The Geddes Committee contemplated that (failing some equal or greater reduction in the Navy or Army) a reduction of $8\frac{1}{2}$ Squadrons could be made. The Government have not felt able to accept this recommendation, but they have fallen in with the views of the Committee to the extent of directing that, over and above the actual reduction of two Squadrons, the equivalent of three more Squadrons should be withdrawn from Navy and Army co-operation and allocated

primarily to Home Defence. These Squadrons will still be available for co-operation work on special occasions when required. They will also be used for training purposes, thus enabling economies to be made in the training establishments.

The reduction of 5,500,000*l*. on the Sketch Air Estimates which the Geddes Committee believed to be possible (but which the Air Council were unable in large part to verify upon analysis) compares with a reduction of over 2,500,000*l*. embodied in these Estimates, a figure which would have been still higher had it not been for variations in appropriations-in-aid since the Sketch Estimates were framed. A considerable portion of this difference is attributable to the fact that, as explained above, in order not to denude the Navy and Army of Air co-operation, and in order to enable the nucleus of a force for Home Defence to be set up, all but two Squadrons are to be retained.

The remaining recommendations of the Committee have received the most careful consideration, and effect is being given to them to a very large extent. To take the most important items of reducible expenditure, works services have been cut to a bare minimum, and stocks of machines, engines and spares will be drawn on without replacement wherever possible. Here, however, a word of caution is necessary. The "reconditioning" of machines (see page 92 of the Geddes Report Part I) is not a process of improvement and embellishment, but one of making machines safe to fly. Economies in this direction must be governed by a sense of the most serious responsibility. Apart from this it should be realised that the patching up of temporary buildings and living on stocks is essentially a process of deferment of expenditure which must tend to force Air Votes up again in future years, and is justified only by extreme financial pressure.

The general principles on which the training of the technical personnel of the Air Force is founded will be maintained, but in order to reduce the cost the existing scheme will be modified by lengthening the term of service of boy mechanics on completion of their training.

A token sum of 20,000*l*. has been included to provide for the inception of the scheme of an Auxiliary Air Force on a territorial basis. The same provision was made in the current year, but the Air Council have felt compelled, with much regret, to defer this expenditure for another twelve months.

A severe scrutiny has been applied to the staff of the Air Ministry, and the expenditure forecasted last July has been reduced by nearly 150,000*l*. The total reduction on the sum provided for the current year is 235,000*l*.

The recommendations of the Geddes Committee in regard to Civil Aviation (p. 97 of the Report, Part I) have been accepted in principle but existing commitments have made it necessary to provide some 50,000*l*. more than the Committee believed would be required on that basis. The approved scheme for subsidies for cross-channel flights, as published, which comes into full operation on the 1st April, remains unaffected.

A reduction of some 320,000*l*. has been made on the sum provided in the Sketch Estimate for Experiment and Research. This falls appreciably short of the Committee's recommendations, but it was found that existing obligations and commitments would have accounted for the whole of the reduced figure which they suggested, and would have left nothing over for the development of new ideas during the coming year. This was a position which, in the case of a new science like aeronautics, it was hardly possible to accept, and provision has therefore been made, though on a very restricted scale, for some experimental orders to be placed in 1922–23.

A change in the method of exhibiting the value of the experimental and production work performed at the Royal Aircraft Establishment, Farnborough, has diminished the apparent reduction on the gross total of Vote 9 (Experiment and Research) but has correspondingly increased appropriations-in-aid. The net total shows the actual reduction.

AIR MINISTRY,

FREDERICK GUEST.

March, 1922.